

**CONTRACT FOR SPECIAL SERVICES BY
INDEPENDENT CONTRACTOR**

THIS CONTRACT is entered into this ____ day of _____, 20__, by and between the COUNTY OF SAN LUIS OBISPO (hereinafter referred to as "County") and Cannon Corporation, an independent contractor (hereinafter referred to as "Contractor").

W I T N E S S E T H

WHEREAS, the County of San Luis Obispo has need for special services and advice in project management for the Women's Jail Expansion Project; and

WHEREAS, Contractor is specially trained, experienced, expert and competent to perform such special services;

NOW THEREFORE, the parties mutually agree as follows:

1. **Scope of Services.** Pursuant to this Contract, Contractor shall provide to the County the special services as described in Exhibit A, and attached hereto.

2. **Compensation.** County shall pay to Contractor as compensation in full for all services performed by Contractor pursuant to this Contract, the sum not to exceed \$250,000 for all work performed under this contract.

3. **Billing.** Contractor shall submit to the County, on a monthly basis, a detailed statement of services performed during that preceding period, including the number of hours of work performed. Within thirty (30) days after the receipt of an itemized statement from Contractor, payment will be made to Contractor.

4. **Term of Contract.** This Contract shall commence on December 11, 2012, and shall terminate on October 2, 2013, unless said work is completed on a different date mutually agreed to by the parties or unless terminated earlier as provided therein. Extension or termination of the Contract may be effectuated by the Director of General Services without the need for action, approval or ratification of the Board of Supervisors.

5. **Termination of Contract for Convenience of Either Party.** Either party may terminate this contract at any time by giving to the other party 30 days' written notice of such termination. Termination shall have no effect on upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of said termination.

6. **Termination of Contract for Cause.** If Contractor fails to perform Contractor's duties to the satisfaction of the County or if Contractor fails to fulfill in a timely and professional manner Contractor's obligations under this Contract or if Contractor shall violate any of the terms or provisions of this Contract or if Contractor, Contractor's agents or employees fail to exercise good behavior either during or outside of working hours that is of such a nature as to bring discredit upon the County, then County shall have the right to terminate this Contract effective immediately upon the County, through the General Services Agency Director, giving written notice thereof to the Contractor. Termination shall have no affect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. Contractor shall be paid for all work satisfactorily completed prior to the effective date of such termination. If County's termination of Contractor for cause is defective for any reason, including but not limited to County's reliance on erroneous facts concerning Contractor's performance, or any defect in notice thereof, County's maximum liability shall not exceed the amount payable to Contractor under paragraph 5 above.

7. **Equal Employment Opportunity.** During the performance of this Contract, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

8. **Entire Agreement and Modification.** This Contract supersedes all previous contracts and constitutes the entire understanding of the parties hereto. Contractor shall be entitled to no other benefits than those specified herein. No changes, amendments or alterations shall be effective unless in writing and signed by both parties. Contractor specifically acknowledges that in entering into and executing this Contract, Contractor relies solely upon the provisions contained in this Contract and no others.

9. **Non-Assignment of Contract.** Inasmuch as this Contract is intended to secure the specialized services of the Contractor, Contractor may not assign, transfer, delegate or sublet any interest therein without the prior written consent of County and any such assignment, transfer, delegation, or sublease without the County's prior written consent shall be considered null and void.

10. **Covenant.** This Contract has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California. All duties and obligations of the parties created hereunder are performable in San Luis Obispo County

and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Contract.

11. Enforceability. If any term, covenant, condition or provision of this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

12. Employment Status. Contractor shall, during the entire term of the Contract, be construed to be an independent Contractor and nothing in this Contract is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Contractor performs the services which are the subject matter of this Contract; provided always however that the services to be provided by Contractor shall be provided in a manner consistent with all applicable standards and regulations governing such services.

Contractor understands and agrees that Contractor's personnel are not and will not be eligible for membership in or any benefits from any County group plan for hospital, surgical or medical insurance or for membership in any County retirement program or for paid vacation, paid sick leave, or other leave, with or without pay or for any other benefit which accrues to a County employee.

13. Warranty of Contractor. Contractor warrants that Contractor and each of the personnel employed or otherwise retained by Contractor are properly certified licensed and insured under the laws and regulations of the State of California to provide the special services herein agreed to.

14. Indemnification. Consultant shall defend, indemnify and hold harmless the County, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities or other losses that may be asserted by any person or entity, and that arise out of or are made in connection with Consultant's willful misconduct, or its reckless or negligent acts or omissions relating to the performance of any duty, obligation, or work hereunder. The obligation to indemnify shall be effective and shall extend to all such claims and losses, in their entirety, even when such claims or losses arise from the comparative negligence of the County, its officers and employees. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the County, its officers and employees.

Except as provided above, it is the intent of the parties to provide the County the fullest indemnification, defense, and hold harmless all rights allowed under the law. If any word(s) contained herein are deemed by a court to be in contravention of applicable law, said word(s) shall be severed from this contract and the remaining language shall be given full force and effect.

15. Insurance. Contractor, at its sole cost and expense, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. Such policies shall be maintained for the full term of this Agreement and the related warranty period (if applicable). Any failure to comply with reporting provisions(s) of the policies referred to above shall not affect coverage provided to the County, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "County" shall include officers, employees, volunteers and agents of the County of San Luis Obispo, California, individually or collectively.

a. Minimum scope and limits of required insurance policies.

The following policies shall be maintained with insurers authorized to do business in the State of California and shall be issued under forms of policies satisfactory to the County:

i. Commercial General Liability Insurance Policy ("CGL").

Policy shall include coverage at least as broad as set forth in Insurance Services Office (herein "ISO") Commercial General Liability coverage. (Occurrence Form CG 0001) with policy limits not less than the following:

\$1,000,000 each occurrence (combined single limit);

\$1,000,000 for personal injury liability;

\$1,000,000 aggregate for products-completed operations; and,

\$1,000,000 general aggregate.

The general aggregate limits shall apply separately to Contractor's work under this Agreement.

ii. Business Automobile Liability Policy ("BAL").

Policy shall include coverage at least as broad as set forth in Insurance Services Office Business Automobile Liability Coverage, Code 1 "Any Auto" (Form CA 0001). This policy shall include a minimum combined single limit of not less than One-million (\$1,000,000) dollars for each accident, for bodily injury

and/or property damage. Such policy shall be applicable to vehicles used in pursuit of any of the activities associated with this Agreement. Contractor shall not provide a Comprehensive Automobile Liability policy which specifically lists scheduled vehicles without the express written consent of County.

iii. Workers' Compensation and Employers' Liability Insurance Policy ("WC/EL").

This policy shall include at least the following coverages and policy limits:

- a) Workers' Compensation insurance as required by the laws of the State of California; and
- b) Employer's Liability Insurance Coverage B with coverage amounts not less than one million (\$1,000,000) dollars each accident/Bodily Injury (herein "BI"); one million (\$1,000,000) dollars policy limit BI by disease; and, one million (\$1,000,000) dollars each employee BI by disease.

iv. Professional Liability Insurance Policy ("PI")

This policy shall cover damages, liabilities, and costs incurred as a result of Contractor's professional errors and omissions or malpractice. This policy shall include a coverage limit of at least One Million Dollars (\$1,000,000) per claim, including the annual aggregate for all claims (such coverage shall apply during the performance of the services under this Agreement and for two (2) years thereafter with respect to incidents which occur during the performance of this Agreement). Contractor shall notify the County if any annual aggregate is eroded by more than seventy-five percent (75%) in any given year.

b. Deductibles and self-insurance retentions.

Any deductibles and/or self-insured retentions which apply to any of the insurance policies referred to above shall be declared in writing by Contractor and approved by the County before work is begun pursuant to this Agreement. At the option of the County, Contractor shall either reduce or eliminate such deductibles or self-insured retentions as respect the County, its officers, employees, volunteers and agents, or shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and/or defense expenses.

c. Endorsements.

All of the following clauses and endorsements, or similar provisions, are required to be made a part of insurance policies indicated in parentheses below:

- i. "Cross Liability", "Severability of Interest" or "Separation of Insureds" clause (CGL & BAL);
- ii. The County of San Luis Obispo, its officers, employees, volunteers and agents are hereby added as additional insureds with respect to all liabilities arising out of Contractor's performance of work under this Agreement (CGL & BAL);
- iii. If the insurance policy covers an "accident" basis, it must be changed to "occurrence" (CGL & BAL);
- iv. This policy shall be considered primary insurance with respect to any other valid and collectible insurance County may possess, including any self-insured retention County may have, and any other insurance County does possess shall be considered excess insurance only and shall not be called upon to contribute to this insurance (CGL, BAL & PL);
- v. No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to County at the address set forth below (CGL, BAL, WC/EL & PL);
- vi. Contractor and its insurers shall agree to waive all rights of subrogation against the County, its officers, employees, volunteers and agents for any loss arising under this Agreement (CGL); and
- vii. Deductibles and self-insured retentions must be declared (All Policies).

d. Absence of insurance coverage.

County may direct Contractor to immediately cease all activities with respect to this Agreement if it determines that Contractor fails to carry, in full force and effect, all insurance policies with coverages at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered Contractor's delay and expense. At the County's discretion, under conditions of lapse, the County may purchase appropriate insurance and charge all costs related to such policy to Contractor.

e. Proof of insurance coverage and coverage verification.

Prior to commencement of work under this Agreement, and annually thereafter for the term of this Agreement, Contractor, or each of Contractor's insurance brokers or companies, shall provide County a current copy of a Certificate of Insurance, on an Accord or similar form, which includes complete policy coverage verification, as evidence of the stipulated coverages. All of the insurance companies providing insurance for Contractor shall have, and provide evidence of, A.M. Best Rating of "A-FSCVII" or above. The Certificate of Insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to:

County of San Luis Obispo
General Services Agency
1087 Santa Rosa Street
San Luis Obispo, CA 93408

16. Records.

a. Contractor shall keep complete and accurate records for the services performed pursuant to this Contract and any records required by law or government regulation and shall make such records available to County upon request.

b. Contractor shall assure the confidentiality of any records that are required by law to be so maintained.

c. Contractor shall prepare and forward such additional or supplementary records as County may reasonably request.

17. Accounting. Contractor shall maintain accounting records in accordance with generally accepted accounting principles. The Contractor shall obtain the services of a qualified bookkeeper or accountant to ensure that accounting records meet this requirement.

Contractor shall maintain acceptable books of accounts which include, but are not limited to, a general ledger, cash receipts journal, cash disbursements journal, general journal and payroll journal.

Contractor shall record costs in a cost accounting system which clearly identifies the source of all costs. Contract costs shall not be co-mingled with other project costs, but shall be directly traceable to contract billings to the County.

The use of worksheets to produce billings shall be kept to a minimum. If worksheets are used to produce billings, all entries should be documented and clearly traceable to the Contractor's cost accounting records.

All accounting records and supporting documentation shall be retained for a minimum of five (5) years or until any audit findings are resolved, whichever is later. Contractor shall safeguard the accounting records and supporting documentation.

Contractor shall make accounting records and supporting documentation available on demand to the County for inspection and audit. Disallowed costs shall be repaid to the County. The County may require to have the Contractor's accounting records audited, at Contractor's expense, by an accountant licensed by the State of California. The audit shall be presented to the County Auditor-Controller within thirty (30) days after completion of the audit.

18. Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by first class mail to the County at:

County of San Luis Obispo

General Services Agency
1087 Santa Rosa Street
San Luis Obispo, CA 93408
ATTN: Janette Pell

and to the Contractor:

CannonCorp
1050 Southwood Drive
San Luis Obispo, CA 93401
ATTN: John Evans

19. Cost Disclosure - Documents and Written Reports. Pursuant to Government Code section 7550, if the total cost of this Contract is over \$5,000.00, the Contractor shall include in all final documents and in all written reports submitted a written summary of costs, which shall set forth the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such documentation or written report. The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

20. Conflict of Interest. The Consultant covenants that the Consultant has no existing interest and will not acquire any interest, direct or indirect, which could conflict in any manner or degree with the performance of services required under this Contract and that no person having any such interest shall be employed by the Consultant.

Per Government Code Section 1090, no officer or employee of the County shall be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. The Consultant is subject to the requirements of the

Political Reform Act as promulgated by the Fair Political Code of Regulations, Title 2, section 18000 et seq. The Consultant shall at all times comply with the applicable provisions therein, including, but not specifically limited to the California Code of Regulations, Title 2, Chapter 7 "Conflicts of Interest," section 18700 et seq. The Consultant shall also comply with all applicable provisions of other laws pertaining to conflict of interest requirements. If the

Consultant must declare a conflict of interest, the Consultant shall forthwith report the conflict, in writing, to the County and shall provide any additional details requested by the County in a timely manner.

IN WITNESS THEREOF, County and Contractor have executed this Contract on the day and year first hereinabove set forth.

COUNTY OF SAN LUIS OBISPO

By: _____
Chairman of the Board of Supervisors

Approved by the Board of Supervisors this
on _____, 20__

ATTEST:

Clerk of the Board of Supervisors

CONTRACTOR: Cannon Corporation

Title: Director, Civil Engineering
Date: 12/7/12

APPROVED AS TO FORM AND LEGAL
EFFECT:

Rita L. Neal
County Counsel

By: Rita Neal
County Counsel

Date: 12/7/12



PROFESSIONAL SERVICES AGREEMENT
Exhibit A

Project Client: San Luis Obispo County
General Services

Date: December 7, 2012

Project Name: Women's Jail Expansion
Program Management

Project Number:
121037 (Cannon)
300034 (SLO County)

DESCRIPTION OF SERVICES:

Task 1 Steering Committee Support

- 1.1 Assist staff and the Steering Committee by providing third party objective reviews of processes, schedules, documents and strategies being used in the development of the Women's Jail Expansion Expansion Project (WJE)
- 1.2 Attend Steering Committee meetings, as needed (one per week or every two weeks). Provide advice and recommendations when requested by Steering Committee.
- 1.3 Assist with drafting Board letters and other reports/communications with other public agencies when requested.

Task 2 Program Management of Schedule / Budget

- 2.1 Provide recommendations to improve processes, schedules, documents and strategies being used in the development of the Women's Jail Expansion Expansion Project (WJEE).
- 2.2 Attend meetings with staff (2 to 3 times per week) to:
 - a) critically assess project schedule and important project issues
 - b) advise staff of other possible solutions to complete project task requirements
 - c) assign tasks and action items with date due and responsible party
- 2.3 Provide general guidance and peer review of general project direction, project schedule, project budget, and other projected project costs not included in current project budget.
- 2.4 Critically assess project schedule and milestones and provide the following:
 - a) recommendations to County to accelerate required project tasks that will help achieve an earlier construction start date than current project schedule indicates
 - b) services to support multiple task work required to maintain accelerated project schedule
 - c) identification and recommendations concerning:
 - (i) missing critical project task items
 - (ii) unrealistic estimated project task durations or milestones
 - (iii) overall progress of project

2.5 Manage the project budget and schedule (for both Cannon and GSA staff) using Earned Value Analysis tools.

Task 3 CM Firm Selection Support

- 3.1 Lead and coordinate the construction management firm SOQ review, short-list, interviews, selection, contract negotiation and award.
- 3.2 Attend meetings and provide input/guidance during transition with long-term Construction Management team.

Task 4 Contractor Pre-Qualification Support

- 4.1 Review draft of G.C./Subcontractor Prequalification documents and provide the following:
 - a) recommendations regarding content
 - b) lead and coordinate the review, assessment, and scoring of prequalification submittals from general contractors and sub-contractors
 - c) services to accelerate and expedite determination of prequalified contractors by County
 - d) assist County with any appeals filed by general contractors/sub-contractors who did not meet prequalification requirements

Task 5 Permit Support

- 5.1 Lead and coordinate the County with environmental permit process and communication with public agencies. Verify all environmental mitigation documents are included with bid documents.
- 5.2 Lead and coordinate the County in obtaining utility will-serve letters and new connection authorizations.
- 5.3 Lead and coordinate the obtaining of "in-house" building permits from County Planning and Building.

Task 6 Pre-Construction Plans Support

- 6.1 Help assure the accuracy of documents and products generated by staff.
- 6.2 Lead and coordinate the County with relatively new Compliance Monitoring Unit (CM U) service by State agency.
 - a) prepare communications to State agency with CMU questions. Meet with State agency face-to-face if necessary. Provide recommendations to County if payment of one-time, not-to-exceed fee of approximately \$62,750 is prudent and completely satisfies County's obligation to monitor and verify that prevailing wages are being paid to all construction labor
 - b) confirm if County payment (\$62,750) to State satisfies all prevailing wage verification requirements of State.
 - c) provide recommendations of other cost effective methods that may be allowed by State to verify prevailing wage compliance.
- 6.3 Lead and coordinate the determination of construction-period parking, office trailer and laydown areas scheme and long-term parking plan.



Task 7 Consultant Selection Support

- 7.1 Lead the selection of the Inspector of Record (IOR) and the SWPPP monitor.
- 7.2 Advise County regarding negotiation of additional construction administration and other fees requested by AECOM.
- 7.3 Provide guidance, review, and support services concerning Furniture, Fixtures & Equipment (FF&E) bid documents provided by AECOM.

Task 8 Contractor Selection Support

- 8.1 Lead and coordinate the County with review and preparation of thorough bid documents and general/supplemental conditions.
- 8.2 Lead and coordinate the General Contractor selection, contract negotiation and award.

Task 9 AB900 and Funding Support

- 9.1 Assist in clarifying and verifying availability of funding sources and timing of and requirements for dispersals.

REIMBURSABLE EXPENSES

Reimbursables include mileage, travel costs, plots, copies and shipping and will be billed per the attached reimbursables schedule.

PROGRAM MANAGEMENT DURATION

December 19, 2012 to September 30, 2013 (scheduled construction start date) or as modified by Cannon and General Services Agency Director.

DELIVERABLES

- 1. Draft reports and letters as listed above.
- 2. Submittal of a monthly updated project schedule to the Steering Committee.
- 3. Weekly submittal to the Steering Committee on the progress of critical path items.
- 4. Monthly submittal to Steering Committee of project Earned Value Analysis (EVA) for submittal to the Board of Supervisors.
- 5. Provide the County with an approved contract for WJE Construction Management services.
- 6. Provide the County with a list of prequalified general contractors and sub-contractors for the WJE project.
- 7. Provide the County with approved environmental permits, "in-house" building permits, and utility will-serve letters for the WJE project.
- 8. Provide the County with a WJE construction-period parking, laydown area and staging area plan.
- 9. Provide the County with approved contracts for WJE IOR and SWPPP monitoring services.
- 10. Provide the County with an approved WJE General Contractor contract.

FEES

Fees are based on the rates per the enclosed fee schedule.

FEE SCHEDULE — PROGRAM MANAGEMENT

Sr. Principal Engineer	160.00 - 185.00
Sr. Associate Engineer	135.00 - 160.00
Associate Engineer	125.00 - 150.00
Administrative/Clerical	60.00 - 100.00

Reimbursable Expenses

In-House Reproduction

Black Line Plots	\$2.00 per sheet
Color Plots.....	\$5.00 per sheet
Mylar Plots.....	\$12.00 per sheet
Photocopies	\$ 0.20 per page
Color Copies (8 ½ x 11).....	\$ 1.50 per page
Color Copies (11 x 17).....	\$ 3.00 per page

Travel by Automobile \$ 0.55 per mile

Subconsultant Fees Cost + 10%

Materials Cost

All direct non-salary expenses, such as special equipment, shipping costs, travel other than by automobile, and permit fees will be billed at the actual cost.